



**Director of
Central
Intelligence**

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Prospects for Regional Controls Over Opiate Trafficking in Asia

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Interagency Intelligence Memorandum

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PROSPECTS FOR REGIONAL
CONTROLS OVER OPIATE
TRAFFICKING IN ASIA



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Information available as of 31 July 1987 was used
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SCOPE NOTE

This study constitutes the Intelligence Community's initial attempt to assess the near-term prospects for international cooperation to interdict the flow of opiates within Southeast and Southwest Asia. It focuses on the outlook over the next two years for bilateral cooperation at key border areas and discusses such cooperation as the most effective method for fostering drug interdiction. Political, economic, social, and ethnic/religious considerations will be the primary dimensions employed to analyze these bilateral relationships. Secondary assessments of potential multinational, key third country, and US roles in promoting bilateral cooperation programs also will be presented.

This study recognizes the resilience and ingenuity of the opiate trafficking trade and the inevitability that effective interdiction at any key border in Asia will be met by new trafficker responses including enhanced drug flows across other borders. Accordingly, this study must be viewed as a probable precursor of future papers that will examine other border dynamics.



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KEY JUDGMENTS

Southeast and Southwest Asia supply about 60 to 65 percent of the heroin consumed in the United States. The prospects for opium/heroin interdiction in Asia is largely a function of cooperation in six key bilateral relationships: Thailand-Burma; Thailand-Laos; Thailand-Malaysia; Pakistan-India; Pakistan-Afghanistan; and Pakistan-Iran. We judge that the extent of ingrained rivalries and hostilities seen in these country pairings will generally limit the extent of cooperation possible on drug interdiction in Southeast and Southwest Asia. This, together with the increase in opiate cultivation and heroin production now in evidence in Asia, makes the future for counternarcotics efforts in the area bleak in the near term [redacted]

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Regional organizations may have some, though limited, impact on the prospects for progress on drug interdiction. The Association of Southeast Asian Nations (ASEAN) has exerted a positive influence on antinarcotics matters and produced some concrete results. In contrast, the South Asian Association for Regional Cooperation (SAARC) is of more recent vintage than ASEAN and has had much less impact on its members. More important, the isolation of the major opiate production areas of Southeast and Southwest Asia—Burma, Afghanistan, and Laos—from the political mainstream places fundamental constraints on the prospects for significant area interdiction efforts. [redacted]

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Thailand and Burma are unlikely to cooperate with each other significantly and lastingly on opiate interdiction, despite some seemingly hopeful signs this year. The continued absence of Thai-Burma cooperation in turn seriously undermines prospects for total regional cooperation on drug interdiction as these two neighbors are the largest opiate producer (Burma) and trafficker (Thailand) nations in Southeast Asia. [redacted]

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There is little possibility over the near term of effective cooperation between Thailand and Laos. An ideological chasm currently separates these two ethnolinguistic cousins, exacerbated by poor relations between Thailand and Laos's mentor: Vietnam. The Laos Government also refuses to acknowledge an indigenous opiate industry, while evidence is growing that their officials use the drug trade as a source of revenue. The United States has little leverage with Vientiane, and the United Nation's potential effectiveness in this field is questionable. As for a third country involvement in the matter, only Vietnam or the USSR appear to possess sufficient leverage to spur Vientiane to active narcotics suppression at this time. However, for a variety of reasons, prospects that either government would be willing to exert such pressure are not bright. [redacted]

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The Thai-Malaysian relationship in the past contains evidence of some effective cooperation on drug interdiction, and continued improvement is likely. A confluence of national interests has enabled these two essentially dissimilar neighbors to work jointly to try to control opiate trafficking. This cooperation has been predominantly informal but is becoming increasingly institutionalized. Both the United States and ASEAN have contributed constructively to this cooperation.

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India and Pakistan hold the key to effective Southwest Asian opiate interdiction, but these rivals are unlikely to cooperate significantly in this matter in the foreseeable future. Although there have been cyclical rapprochements between the two governments, which have included limited agreements on narcotics, the effects have been modest. Genuine concerns over domestic drug problems and the desire to find noncontroversial issues to maintain lines of communication, however, have fueled recent bilateral talks on narcotics between these two nations. Border discussions, encouraged by the SAARC, have generated some positive exchanges, but effective implementation seems distant. Indian suspicions probably will inhibit a US or other third country role in promoting cooperation here. The United Nations could be a stimulus to such cooperation eventually as it works on narcotics aid programs in the two countries.

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There is virtually no chance of interdiction cooperation between Pakistan and Afghanistan until the Afghan war ends and a regime acceptable to Islamabad is established in Kabul. The two governments do not communicate directly, as Pakistan prefers to deal with Moscow. Furthermore, Kabul does not take responsibility for its large domestic opiate production—blaming the drug problem entirely on Pakistan and on Afghan resistance forces. Tribal groups in the Pakistani-Afghan border area dominate the opiate trade and operate with relative impunity as neither side wants to antagonize them.

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The Pakistani-Iranian relationship appears to hold some long-range promise for interdiction cooperation, although there has been scant evidence of such productive joint efforts thus far. Both regimes would like to control the untamed border region but they are deterred by rugged topography and rebellious local tribes, which operate the drug trade. As in the Pakistani-Afghan border, the opiate trafficking is an entrenched component of traditional smuggling activities. Pakistan is less willing to provoke the tribes in Iran, however, and the radical, capricious nature of the Tehran regime discourages effective cooperation programs. The United States and international organizations have little influence on Iran and thus on any potential border cooperation scenarios.

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Third countries, other than the United States and possibly the USSR, do not have sufficient leverage or interest to boost international cooperation in Southwest and Southeast Asia. Several Western nations provide some antinarcotics assistance, but it is not sufficient to forge cooperative efforts on interdiction in these regions. Although the United Kingdom was the former colonial power in several key narcotics countries, these nations are no longer responsive to British influence.

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The Soviet Union is a pivotal player in certain key opiate-producing nations like Afghanistan and Laos, however. While it is conceivable that the Soviets could seek to exploit this situation, there is no substantial evidence to confirm, and there is some to deny, any scheme to subvert Western society by promoting the drug trade. In fact, the USSR has exhibited an unprecedented interest in antinarcotics matters during the past year and could conceivably become an agent for positive change in key opiate-producing nations in which they have influence. Further, in view of the USSR's apparent concern over domestic drug abuse, it is also conceivable that Moscow could play a positive role in encouraging cooperation on interdiction between the Communist states and their neighbors.

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DISCUSSION

1. Southeast and Southwest Asia supply about 60 to 65 percent of the heroin consumed in the United States. Hence, the prospects for local cooperation in interdicting the flow of raw and finished opiates to the international market are of direct and major interest to the United States. Six key border areas, three within each region, have been selected to focus this discussion: Thailand-Burma; Thailand-Laos; Thailand-Malaysia; Pakistan-India; Pakistan-Afghanistan; and Pakistan-Iran. A portion of the frontiers linking each of these pairs is a major conduit for the trafficking of opiates to the international market. Any attempt to interdict the flow of opiates in Southwest and Southeast Asia, through international cooperation, therefore, must attack trafficking operations along these strategic borders. [redacted]

2. Increased opium crop cultivation in Asia together with the changing dynamics of drug trafficking in the area are outdistancing drug control efforts and the enforcement capabilities of producer and transit nations. This strongly suggests that the problem is likely to grow worse rather than better. [redacted]

International Cooperation Needed for Interdiction

3. International cooperation is essential in the interdiction of narcotics since major drug trafficking routes normally traverse international boundaries. Unilateral efforts, such as eradicating opium poppies and other crops, are an important element in the global fight against illegal drugs but are of limited value. Enforcement officials need the cooperation of counterparts in other nations along given trafficking routes to fight the well-financed drug organizations. This cooperation can be informal, particularly in the routine aspects of law enforcement. Exchanges of intelligence information and complementary movements of narcotics suppression forces are examples of effective types of informal cooperation. Written agreements such as extradition treaties are required for more formal cooperative efforts in arresting and prosecuting traffickers; so are laws restricting trafficking through

authorization of search and seizure or control of the production of precursor chemicals. Some arrangements may be formal or informal as in agreements to allow "hot pursuit" privileges or the rotational stationing of liaison officers in neighboring countries. [redacted]

4. Differentiation between multilateral and bilateral cooperation is vital to considering prospects for antinarcotics efforts in Southeast and Southwest Asia. Neither, however, is without its disadvantages. Multilateral cooperation is highly desirable in that such agreements would be more widely sanctioned and theoretically have the greatest impact. But these agreements are the most difficult to reach since they involve the acquiescence of a number of sovereign, sometimes antagonistic, nations. Bilateral cooperation, on the other hand, is more limited and more narrowly focused but is achieved more easily. [redacted]

Factors Affecting Cooperation

5. Four factors generally determine the prospects for international cooperation on opiate interdiction in the strategic border areas of Southeast and Southwest Asia:

- Ethnic/religious influences play a significant role in antinarcotics cooperation. Ethnic animosities between some nations under review have traditionally discouraged bilateral cooperation in any sphere.
- Social attitudes toward minority groups involved in the drug trade may affect a government's will to suppress illicit activities or offend a neighboring state that is inhabited largely by the same ethnic groups.
- Political factors also affect prospects for international cooperation on interdiction. Ideological gaps or traditional political rivalries may preclude meaningful antidrug cooperation. On the other hand, there may be compelling political reasons that could facilitate cooperative antinarcotics effects. Narcotics may be the type of noncontroversial issue on which to build improved international relationships. In addition,

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antinarcotics efforts may coincide well with other national imperatives, such as counterinsurgency campaigns.

— Finally, economic considerations can influence narcotics policy. If drug trafficking represents a

traditional and important source of income in a region, the government will be less willing to suppress this activity, desiring to avoid negative political fallout as well as the pressure to provide alternative income sources.



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Thailand-Burma

The Setting: Heartland of the Golden Triangle

6. Thailand and Burma are the largest opium/heroin trafficking and producing nations, respectively, in the Golden Triangle region of Southeast Asia, which is focused roughly on the triborder area of Laos, Thailand and Burma. According to Drug Enforcement Administration (DEA) estimates, the Golden Triangle region supplies about 17 to 20 percent of the heroin consumed in the United States. The Thailand/Burma relationship is pivotal to attempts to interdict heroin supplies throughout the region. Burma produced 700 to 1,100 metric tons of opium in 1986, mostly in the northern Shan State where the numerous trafficking organizations convert the opium to heroin. About 80 percent of the heroin leaves the country through Thailand, especially across the northern Thailand frontier bounded by Chiang Mai, Chiang Rai, and Mae Hong Son Provinces. Once in Thailand, the drug smugglers take advantage of the relatively advanced Thai transportation system to ship the contraband to Europe and the United States via Malaysia, Singapore, Nepal, and/or Hong Kong. 

trafficking groups to fight Communist insurgents. Bangkok once openly supported these groups as a buffer against subversion from China. Similarly, Rangoon, in the 1960s, armed some of the groups as anti-Communist militia. Most important in terms of bilateral cooperation, however, is the absence of effective Burmese control in the border region. This has forced the Thai to deal with the traffickers and insurgents alone and precluded effective joint narcotics suppression operations. 

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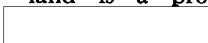
10. Periodically, positive signs have emerged in Thai-Burmese relations, which could lead to optimism about cooperation in drug interdiction, but nothing substantive has occurred thus far. In June 1986, Thai Foreign Minister Siddhi Savetsila returned from a meeting in Rangoon believing that a breakthrough had occurred on border cooperation. Followup discussions designed to formalize these changes, however, proved fruitless. 

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Bilateral Relations: Old Antagonists

7. Thailand and Burma are traditional foes with an antagonism dating back to a series of bloody wars in the 18th and 19th centuries. Distrust still characterizes their relations, rendering cooperation difficult in any sphere. Several current and imposing policy differences compound traditional strains: Burma is a socialist nation that follows a rigid nonaligned foreign policy and discourages close bilateral ties of any sort; Thailand is a pro-Western, constitutional monarchy. 

Potential US Role: Possible Catalyst

11. The United States is well-positioned to promote antinarcotics cooperation between Thailand and Burma since Washington is the largest supplier of money and equipment for antidrug programs in both countries. The US presence in the two countries includes DEA and State representatives. Attitudes toward American assistance are favorable in both countries. At the same time, the United States has been unable to generate cooperation on interdiction because of mutual distrust between the Thai and Burmese officials, especially the latter who see the Thai as insensitive to Burmese internal security concerns. (S NF NC)

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8. The two nations also have had some serious border disputes, particularly involving Burmese insurgent groups. Burma believes that Thailand supports insurgents who control the bulk of the common border. While Bangkok denies giving any official support to these groups, many Thai openly sympathize and collaborate with some of the insurgent organizations, especially the Karen National Union. 

International Role: Nebulous Possibilities

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Evidence of Past Narcotics Cooperation: Little To Show

9. Narcotics interdiction cooperation between Thailand and Burma has been minimal. Part of the problem stems from their history showing that both countries have occasionally collaborated with major

12. The United Nations has been an active anti-narcotics donor in both countries but is not involved directly in enforcement activities. In addition, UN aid programs are not large enough to provide the leverage needed to compel cooperation. The United Nations may be useful at some point, however, as a neutral umbrella that could mollify Burmese concerns and

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produce some cooperative agreements. Barring a major shift in Burma's isolationist stance, Rangoon is unlikely to join the Association of Southeast Asian Nations (ASEAN), which sponsors counternarcotics cooperation activities. 

less, the emergence of the Burma Communist Party (BCP) as a major heroin trafficker could be a catalyst for change. Previously, the BCP grew opium and sold it to border heroin refiners, but the deployment of BCP troop contingents and installation of several refineries in the border region have changed the equation. There now exists a slim possibility that the anti-Communist governments in Rangoon and Bangkok might wish to collaborate at least to defeat this particular trafficker/insurgent menace. The more likely course, however, is continued independent Burmese suppression operations against the BCP and Thai manipulation of other border trafficking groups to counter BCP influence. 

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Prospects for Cooperation: Fundamentally Bleak

13. Despite recent improvements in Thai-Burmese relations and some hopeful indicators, the prospects for significant and lasting cooperation on opiate interdiction are dim. Traditional animosity between Thailand and Burma and the latter's isolationist foreign policy suggest continued noncooperation. Neverthe-

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[REDACTED]

Thailand-Laos

The Setting: Deterioration on Display

14. Small quantities of opium always have trickled out of Laos into Thailand. This trafficking route had been relatively dormant under the current Communist regime in Laos. However, over the past three years opium production has increased dramatically with the connivance of army and local government officials. Vientiane's attitude has apparently shifted from benign indifference to active encouragement of opium production as a needed source of revenue. The opium crop consequently increased from 50/100 tons (1984-85) to 150/290 tons (1985-86), and heroin refineries began sprouting on Lao territory. Most of the heroin and other narcotics now flowing out of Laos are traversing Thailand, landlocked Laos's traditional outlet to the world. In fact, there reportedly has been open collaboration between Lao authorities and Thai and Burmese traffickers, many of whom are shifting operations to Laos to avoid Thai drug suppression campaigns. [REDACTED]

Bilateral Relations: Cool

15. Relations have been strained between these two neighbors since the Vietnamese-dominated Communist government came to power in Laos in 1975. Ideological differences and the Vietnamese presence have distorted what had been a relatively compatible relationship based on traditional trade patterns and close ethnolinguistic bonds. Officially, there has been periodic and restrained cooperation on border matters, especially on trade and refugee affairs. Mutual distrust and hostility, sometimes Vietnamese instigated, however, have limited interaction. Border tensions and low-level support for insurgencies by both armies are constant. The Thai have a fear of Lao-based Vietnamese subversion in impoverished Northeast Thailand, while Vientiane accuses Bangkok of sending rightist insurgents into loosely controlled territory. Meanwhile, Thai officials' public accusations that the Lao regime promotes narcotics trafficking only irritates Vientiane sensitivities. [REDACTED]

Evidence of Past Narcotics Cooperation: None Apparent

16. There has never been perceptible cooperation between Laos and Thailand on opiate interdiction. The two governments now have contrasting attitudes toward narcotics. The Lao Government denies having any large-scale drug crops on its territory while the

evidence indicates that Lao authorities encourage production, processing, and trafficking of opiates and marijuana. On the other hand, Bangkok has become increasingly active in suppressing the drug trade, though corruption remains a nagging hindrance. [REDACTED]

Potential US Role: Little Chance

17. Strained US-Lao relations give Washington too little leverage in securing Lao antinarcotics cooperation. In addition, Lao ability to improve relations with Washington are limited by the state of US-Vietnamese relations, which are not expected to be normalized in the foreseeable future. The current disingenuous Lao line of denying large-scale opiate production further undercuts possible US effectiveness on the matter; a recent US overture to Laos offering aid to reduce the opium crop was rebuffed for this reason. It may be possible for the United States in the future to persuade countries that have aid programs in Laos, that is, Japan and Australia, to stress the narcotics issue. [REDACTED]

International Role

18. Vientiane's current disclaimer policy regarding illegal drugs also will discourage attempts by the United Nations or other international organizations to help in opiate interdiction. The Communist nation may be more willing to accept a neutralist United Nations in an intermediary role at the appropriate time, however, than to rely on Western assistance. [REDACTED]

Prospects for Cooperation: Not Good

19. Only Vietnam or the USSR appear to possess sufficient leverage to spur Vientiane to active narcotics suppression at this time. Hanoi may be reluctant to play a role in reducing Laotian drug activity because of preoccupation with its own economic reform efforts and its lack of resources. The same could be said of the USSR although evidence that Gorbachev is now emphasizing an antidrug policy at home may offer a faint glimmer of hope. [REDACTED]

20. The chances of Lao cooperation with Thailand on opiate interdiction appear to be remote. It is most likely that the cash-poor Lao will continue active involvement in the drug trade for as long as possible, regardless of the impact on Vientiane's international image. [REDACTED]


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Thailand-Malaysia


The Setting: A Heroin Mainline

21. Heroin refined in the Thai/Burmese border area has been flowing increasingly through southern Thailand and across Malaysia to the international market. Convenient air, road, sea, and rail transportation and corruption among enforcement officials have encouraged this trafficking route. Dramatic increases in heroin seizures and in the local heroin addict population in Malaysia help attest to the heavy flow. Refineries have also appeared increasingly inside Malaysia, though the heroin produced is consumed locally for the most part. Heroin headed for the United States and Canada normally moves via Singapore, Hong Kong, and the Malaysian island of Pinang. 

Thai-Malaysian antidrug efforts represent the most effective and promising form of counternarcotics cooperation seen in either Southeast or Southwest Asia.



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25. A primary aspect of Thai-Malaysian cooperation involves the exchange of intelligence information on opiate trafficking. Most of this intelligence flows south from Thailand to Malaysia in parallel with the direction of the narcotics trade. In another sphere, Thai officials often attempt to have Malaysian authorities arrest and prosecute drug offenders under the stricter Malaysian antinarcotics laws. In still another area, police officers from both countries travel frequently across the border to confer on drug cases. There is also informal cooperation on the extradition of narcotics offenders from one country to another, with authorities simply transferring individuals on request rather than waiting for the formal extradition transactions 

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Bilateral Relations: Gradual Improvement

22. Occasional strains and frigidity have characterized relations between the Thai/Buddhist administration in Bangkok and the Malay/Muslim government in Kuala Lumpur. Malaysia often has been disappointed with the Thais not doing enough to suppress the Malaysian Communist Party within Thai borders and to govern fairly the Malay Muslim minority in southern Thailand. Bangkok, on the other hand, has been miffed by Kuala Lumpur's reluctance to engage in joint operations against border-dwelling Thai Muslim separatists who are still an annoyance even though they have declined in influence recently in Malaysia.

26. This significant, though mostly informal, Thai-Malaysian cooperation has been bolstered by periodic high-level meetings between Thai, Malaysian, and Singaporean enforcement officials. The lower frequency of these meetings recently reflects the resolution of earlier problems rather than flagging interest. A further step toward institutionalizing informal cooperation is a plan to station Malaysian and Singaporean narcotics officers on a rotational basis in southern Thailand. 

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 23. During the past five years, however, relations between Thailand and Malaysia have been warming, and there has been increased cooperation in dealing with border problems. Regular high-level meetings have taken place designed to avoid misunderstandings and sustain cooperation. A confluence of national interests on several issues, including opposition to Vietnamese expansionist behavior, has encouraged improved relations. An undercurrent of distrust remains, however, which could reemerge with a change of circumstances. 

27. Lingering distrust between these two culturally dissimilar neighbors is to blame for some remaining impediments to the new cooperation. Thai officials, for example, complain that Malaysian counterparts are not forthcoming either with intelligence or on details of enforcement activities. Conversely, Malaysian police are wary of sharing some information due to an inherent fear of corruption among Thai enforcement agencies. This distrust has been diminishing, however, as the positive results from cooperation have increased and been more evident. 

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Evidence of Past Narcotics Cooperation: Increasingly Evident

24. The general improvement in Thai-Malaysian relations and Kuala Lumpur's avid interest in antinarcotics matters have yielded significant benefits for bilateral cooperation on drug suppression matters. Although limited and predominantly informal, current


Potential US Role: Available and Willing

28. Washington's antinarcotics cooperation with both Thailand and Malaysia affords the United States an opportunity to promote further bilateral efforts on opiate interdiction. DEA representatives in southern Thailand and Malaysia already have been a key link in establishing exchanges of intelligence between Thai


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and Malaysian authorities. Much of the useful information involved in the exchanges emanates from DEA operations. Prior to the thaw in Thai-Malaysian relations five years ago, DEA often was virtually the only communication link between narcotics officials on both sides. 


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29. Current antinarcotics programs are, perhaps, already the strongest component of US-Malaysian relations and are getting better. Kuala Lumpur believes that US support for Prime Minister Mahathir's successful effort to become president of the International Conference on Drug Abuse and Illicit Trafficking will enhance this bond. Strong US-Malaysian antidrug ties and Washington's preeminent role in Thailand's drug enforcement program allow the United States to encourage and facilitate cooperation between the two nations. In truth, however, joint efforts between Thailand and Malaysia on interdiction have been progressing independently of US involvement. 

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International Role: ASEAN Has a Real Impact

30. The Thai-Malaysian situation also offers a paradigm for the role of international organizations in promoting cooperation on opiate interdiction. In this case, both parties are members of ASEAN and have been active proponents of that organization's gradually expanding antidrug programs. ASEAN has embarked on a long-range plan under which each of the six member-states provides centralized training for drug officials of the other members. The United Nations has provided most of the funding for these activities. Thailand has hosted an annual training exercise for ASEAN drug enforcement officers since 1980, and Malaysia embarked on a similar program for drug rehabilitation workers last year. 


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31. Narcotics is also an important component of annual meetings of ASEAN police officials (ASEAN-

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POL). These conferences are useful for exchanging information and, most important, establishing the personal contacts that stimulate informal cooperation among regional police officials. The principal weakness in ASEAN's antidrug role is the lack of any formal mechanisms for coordinating and promoting drug enforcement cooperation. While currently staffed by only one official, the ASEAN narcotics desk in Jakarta does function as a medium for exchanging information and potentially could provide the framework for more institutionalized ASEAN drug suppression programs. ASEAN eventually may develop the type of regularized cooperation on counternarcotics that has already been achieved on key regional security issues. Political and ethnic rivalries, however, are likely to impede or even derail this movement toward a more institutionalized system, making informal cooperation more the norm. 

Prospects for Cooperation: Continued Improvement Is Likely

32. Thai-Malaysian drug interdiction cooperation will probably progress as long as overall bilateral relations remain good. More institutionalized arrangements involving such sensitive issues as "hot pursuit" rights—formerly granted for anti-Communist campaigns—also may be possible with continued joint antidrug collaboration. Prolonged and effective drug interdiction cooperation should restrict, though not totally shut off, opiate trafficking through the area. Limited enforcement resources, geographic factors (mountainous terrain, long coastlines), and corruption, especially in Thailand, will serve to diminish the potential impact of these cooperative ventures. Success achieved in interdiction, however, at least may force traffickers to shift routes into other more costly and less convenient approaches. 

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Pakistan-India

Setting: Burgeoning Heroin Trade

33. Long an opium producer, Pakistan has also become a major heroin trafficking and refining country during the last eight years as a result of political upheavals in the other "Golden Crescent" nations of Iran and Afghanistan that disrupted traditional smuggling patterns. The total region now accounts for about 40 percent of US heroin according to recent DEA figures. With the new influx of heroin through Pakistan, that nation's traditional opium consumers began using heroin No. 3 (smokable). There are now an estimated 500,000 heroin addicts in Pakistan. [REDACTED]

34. Another byproduct of the shift in "Golden Crescent" trafficking patterns has been the emergence of Pakistan's eastern neighbor, India, as a major drug-transit nation. Many of the routes from Afghanistan across Pakistan to India follow traditional commercial and contraband patterns with heroin representing an additional black-market item. Symptoms of the expanding heroin flow through India include a growing addiction problem in India (250,000 to 350,000) and the diversion of increasing amounts of India's large licit opium crop (800 tons in 1986) for use in the heroin trade, with most of this diverted opium still consumed locally. [REDACTED]

Bilateral Relations: Intrinsic Antagonism

35. Despite cyclical warming trends, visceral distrust and hostility have characterized Pakistani-Indian relations since the creation of Muslim Pakistan in 1947. Acute ethno/religious differences and concomitant political conflicts have resulted in three wars between Muslim Pakistan and Hindu India. [REDACTED]

36. Both India and Pakistan view each other as security threats. The Indians object to Pakistan's close security links to the United States and China, and believe their Muslim neighbor encourages and supports Sikh separatists and Islamic elements in northern Kashmir. Meanwhile, Islamabad shares a fear—held by all South Asian countries—of Indian domination. The loss of Bangladesh, formerly East Pakistan, to an Indian-backed indigenous revolt in 1971, deep-seated fears of Indian meddling in Sind Province, and the occupation of Afghanistan by India's close friend, the USSR, have been particularly disturbing to Pakistan. [REDACTED]

Evidence of Past Narcotics Cooperation: Some Words, But No Action

37. Until recently Indo-Pakistani antagonism and the slow recognition of domestic drug problems in both countries have precluded concrete interdiction collaborations. Indian officials previously denied an indigenous drug problem and preferred to blame the trafficking situation on Pakistan. Such accusations have become enmeshed in Indian-Pakistani political polemics. Islamabad in turn has become predictably offended and the narcotics issue is now another irritant in already tense relations. [REDACTED]

38. India's increasing heroin addiction problem and emergence as a major heroin transit center, however, have forced New Delhi to change its traditional stance on the drug issue. The Indian Government now acknowledges its large heroin addiction problem and also Indian involvement in heroin trafficking. Narcotics enforcement agencies have been established in India to counter the drug trade. More important for interdiction cooperation, New Delhi has made some approaches to Pakistan and other neighbors to discuss the narcotics problem. In December 1986, officials from India and Pakistan established a border committee to attempt to control opiate trafficking by exchanging intelligence and taking appropriate border security measures. In February 1987, New Delhi agreed to exchange information with Islamabad through DEA auspices. [REDACTED]

39. In these instances of drug-related cooperation, each government was apparently hoping to use narcotics as a low-risk issue to help ease the generally heightened political tensions. It remains to be seen, however, whether any concrete action springs from these recent agreements. Even if the two sides commit themselves to antidrug cooperation, rampant official corruption, a long, porous frontier, and the involvement in drug trafficking by dissident groups on both sides of the border will continue to hamper interdiction efforts. [REDACTED]

Potential US Role: Dealing With Indian Aloofness

40. The US probably will have difficulty in promoting cooperation on interdiction on the Pakistani-Indian border due to Washington's limited leverage with New Delhi. Indian officials did show unusual interest in consulting US narcotics officials last year on new

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Indian drug programs. An Indo-US working group held productive talks in September 1986, which resulted in the stationing of DEA agents outside of New Delhi, in Bombay, for the first time. Indian authorities may view cooperation with the US on narcotics as harmless and as a necessary step in dealing with Pakistan on the issue, but the deep-seated suspicion of perceived US ambitions in South Asia will probably circumscribe direct US influence in the near term. 


43. Substantive SAARC impact on opiate interdiction in South Asia and other regional issues depends largely on the active involvement and cooperation of its two principal members, India and Pakistan. Although both nations have been active supporters of SAARC narcotics initiatives thus far, chronic hostility between the two neighbors is likely to blunt SAARC drug initiatives in the long run. 

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International Organizations: Potentially Useful


Prospects for Cooperation: Possible But Not Yet Likely

41. India generally prefers to exclude third parties from bilateral issues and would be unlikely to allow an international organization to influence its policies. Moreover, India probably would like to deal directly with Pakistan on narcotics interdiction. Yet, New Delhi has shown an interest in using the United Nations as a supplement for Western antinarcotics aid and the SAARC as a forum for maintaining contacts with Pakistan. In fact, the recent Indo-Pakistan border negotiations on narcotics were inspired in part by SAARC drug initiatives. In addition the UN Fund for Drug Abuse Control (UNFDAC) plans to provide India in 1988 with substantial antinarcotics assistance (over \$30 million) for the first time. 

44. Pakistani-Indian cooperation on opiate interdiction may come as a byproduct of the two governments' desire to find some benign ground in their bilateral relationship. Given their growing appreciation of domestic drug problems, narcotics interdiction may be one of the few areas in which there is a convergence of national interests. Furthermore, India is anxious to gain greater control over the Punjab State border with Pakistan, a prime heroin trafficking route. 

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42. SAARC has made some recent noteworthy progress on the narcotics problem. The issue was upgraded to a major agenda item at a November SAARC summit and technical committees chaired by Pakistan have been established to coordinate regional drug programs. SAARC pressure reportedly prompted Nepal to sign the Single Convention on Narcotics Drugs. 

45. An encouraging sign is the decision of India and Pakistan in December 1986 to establish a joint narcotics committee to deal with common trafficking problems. Subsequent meetings will measure the effectiveness of the organization in producing cooperation on interdiction. Despite such positive indicators, the near absence of effective bilateral cooperation between Pakistan and India on other major issues does not auger well for long-range joint drug interdiction endeavors. 

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Pakistan-Afghanistan

Setting: A Strong and Established Drug Trade

46. Afghanistan is the largest opium producer (400 to 500 tons in 1986) in the "Golden Crescent" region of Southwest Asia. Since the Soviet occupation in 1979, the bulk of Afghani opium has flowed to the Pakistan border where increasingly it has been refined into heroin. Pakistani opium (140 to 160 tons in 1986) also is processed in this area. The refined heroin is transported out of the border region to escalating addict populations in India and Pakistan, to traditional regional markets like Iran and, especially, to the West [redacted]

47. The drug trade is an integral facet of the Pakistani-Afghan border economy and it uses traditional trafficking routes. The large-scale heroin production, on the other hand, stems from the Soviet invasion of Afghanistan. Tribal groups dominating the narcotics business have taken advantage of the political disruptions in the area. While opium always has appealed to farmers as a lucrative cash crop, the opium poppy harvests have jumped dramatically in war-torn Afghanistan due to a lack of effective government control in rural areas and the demands of greatly expanded heroin production facilities. [redacted]

Bilateral Relations: Always Strained, Now Hostile

48. The historically strained relations between Pakistan and Afghanistan have degenerated completely since the Soviet invasion. Islamabad does not recognize the Moscow-backed regime in Kabul and provides sanctuary and material assistance for Afghan resistance forces opposing the Soviet occupation. There have been no official contacts between the two nations in any sphere for the past eight years. The situation is not likely to change until a government more acceptable to Pakistan emerges in Afghanistan. It is uncertain when, if ever, this change in circumstances will occur. [redacted]

Evidence of Past Narcotics Cooperation: Afghan War Blocks Bilateral Contacts

49. Even if Pakistan and Afghanistan were to develop good relations, efforts at opiate interdiction would be complicated by geographic and social factors. The rugged, ill-defined border makes interdiction difficult under any circumstances and neither country possesses the manpower and technological resources required to meet the challenge. The presence of semiautonomous

tribal groups heavily involved in the drug trade compounds the problem. These groups extend into both countries using family/ethnic ties to facilitate drug trafficking, especially in areas of marginal government influence. [redacted]

50. The Afghan war has discouraged attempts to exert control over the border tribes—allowing them to play one government against the other to protect their drug interests. Islamabad would like to exert more direct influence in the key North-West Frontier Province and on autonomous tribal areas near the Afghan border where the drug organizations are focused. They are afraid, however, of alienating the tribes to the benefit of Afghanistan. Kabul and Moscow have recognized this dilemma and reportedly have countered unpopular Pakistani drug suppression programs by permitting and, on Kabul's side, perhaps even encouraging narcotics operations to continue in Afghanistan. [redacted]

51. In recent years Kabul has denied any responsibility for narcotic activity in Afghanistan, thereby virtually precluding discussion of cooperative antidrug ventures with other countries. Instead, the Communist regime has accused Pakistan and the Afghan resistance forces of promoting local opium and heroin production. A more objective approach to the narcotics situation will be needed to breed international cooperation. [redacted]

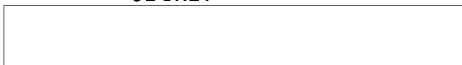
US Role: Little Opportunity

52. The United States cannot intervene effectively to promote drug interdiction until the Afghan war is settled. Currently, Washington exerts no influence in Kabul and provides no aid to the Afghan regime. Perhaps, the most appropriate American narcotics initiatives could be channeled through Moscow since the Soviets' recent emphasis on antinarcotics matters may indicate some receptivity to cooperative drug interdiction efforts. [redacted]


International Organizations: Afghan Policy Deters Help


53. Although Kabul is a signatory to international narcotics agreements, it has not participated actively in international antidrug efforts. The United Nations has exerted some pressure on Afghanistan to embark on narcotics suppression programs, but Kabul cannot

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be expected to accept approaches from the United Nations until Afghanistan acknowledges its own drug problems. Even if the regime solicited antinarcotics assistance, the United Nations might have difficulty in dealing with a government of such questionable legitimacy. 

has promoted an appearance of flexibility on Afghanistan recently in an attempt to bring the war to an acceptable negotiated settlement. It is conceivable, though perhaps unlikely, that the Soviets may wish to improve Kabul's image and ease its international isolation by fostering antinarcotics cooperation at some point. 

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Prospects for Cooperation: Virtually Nil Without Political Change

54. Almost certainly, there will not be perceptible cooperation between Afghanistan and Pakistan until the Afghan war is ended. Indeed, Soviet/Afghan cross-border raids on Afghan resistance bases in Pakistan in mid-1987 have even further diminished prospects for joint border efforts. 

56. Given Pakistan's hostility toward the Afghan regime, however, approaches for drug cooperation from Kabul probably would be rebuffed. In addition, the Afghan Government does not have sufficient resources, even with Soviet military support, to suppress border narcotics activities and is preoccupied thoroughly with counterinsurgency matters. It would seem more beneficial for Kabul to humor tribal traffickers with an indifferent or prodrug policy. In sum, the unfavorable drug situation at the Pakistani-Afghan border is likely to continue for the foreseeable future. 

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55. The most promising possibility for interdiction cooperation between Pakistan and Afghanistan probably lies in intervention from the Soviet Union. Moscow

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[REDACTED]

Pakistan-Iran

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Setting: Opiate Symbiosis

57. Iran traditionally has been a major opiate producer, consumer, and transit nation. The Iranian opiate addiction problem worsened immediately after the fall of the Shah in 1979 due to the disruption of anti-narcotics agencies and generally uneven government controls nationwide. Although there are no accurate statistics on Iranian addiction, a 1986 CIA study calculates that there are more than 100,000 heroin addicts and over 800,000 opium addicts in the country. Opium production in Iran is about 400 to 600 tons annually. [REDACTED]

58. Since the 1950s, Iran has imported opium from Afghanistan and Pakistan to compensate for domestic shortfalls. Tribal groups straddling both sides of Iran's border with those eastern neighbors control the drug trade, using ethnic ties and traditional marketing techniques to facilitate the trafficking of opiates. Narcotics are a staple product of the long-established local smuggling routes, which have been rejuvenated by a lively black-market trade in revolutionary Iran. [REDACTED]

59. The political and economic upheaval, which has rocked Iran since 1978, has diminished somewhat Iran's role as a transit point for opiates headed overland through Turkey to the West. The Iran-Iraq war has produced heightened security and heavy troop concentrations along the border and this has blocked some traditional trafficking routes. Enough opiates continue to penetrate this frontier, however, to maintain large-scale overland trafficking operations. [REDACTED]

Bilateral Relations: Iran Radicalism Stymies Cooperation

60. The relations between Shi'ite Muslim Iran and predominantly Sunni Muslim Pakistan traditionally have been cool and have worsened since the revolution in Iran. Tehran has attempted to divert responsibility for its lingering drug problems by blaming Pakistan and Afghanistan. Iranian leaders have asserted disingenuously that, not only do all opiates consumed in the country come from their eastern neighbors, but that, somehow, this problem is a US plot to undermine Iranian society. Iran also fears that Pakistan may be aiding Baluchi tribal groups who raid Iranian territory periodically. Such accusations and Iranian xenophobia have inhibited official bilateral relations generally,

though Pakistan carries on a lively trade, including military materiel, with Iran. [REDACTED]

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Evidence of Past Narcotics Cooperation: Some Talk, No Action

61. The Iranian Government has made some approaches to Islamabad in an apparent effort to control border trafficking. The primary Iranian initiative has been a proposal to erect a border fence to prevent the movement of seminomadic tribesman, primarily Baluch, who control the drug trade. Pakistan has rebuffed this suggestion as impractical and most likely to provoke the rebellious border tribes. Discussions among local officials on both sides is said to occur regularly on the border situation but without measurable impact on trafficking nor on bilateral cooperation. [REDACTED]

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Potential US Role: None Foreseeable

62. The United States is unlikely to take part in any antinarcotics efforts involving the hostile government in Tehran. In fact, a perceived US role probably would be counterproductive by discouraging Iranian participation. As noted above, Iranian anti-US propaganda lists the narcotics trade as one of the many evils perpetrated by the "Great Satan." [REDACTED]

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International Role: Possible, But Unlikely

63. Although the United Nations certainly would be more likely than the United States to promote Iranian-Pakistani cooperation on drug interdiction, Iranian caprice, chauvinism, and isolationism would hamper UN efforts. Tehran claims to play a leading role in international drug fora, exaggerating its accomplishments in narcotics enforcement. This bravado and the tendency to assign responsibility for Iran's drug problems to other countries are likely to discourage constructive outside intervention on opiate interdiction. Even the possibility of a neutral Islamic country assisting the Iranians and Pakistanis to reach anti-narcotics agreements seems remote. Iran has cool relations with all but the most radical, least responsible Arab governments. [REDACTED]

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Prospects for Cooperation: Alive, But Barely

64. The general outlook for Pakistani-Iranian anti-narcotics cooperation is mixed. Historic frictions exist between Islamabad and Tehran and the Iranians are suspicious of the large American presence in Pakistan.

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There have been negotiations, albeit unproductive, between the two neighbors on the subject, however, and such open channels of communications have the potential to bear fruit eventually. Both governments are determined to fight the drug menace, but are inhibited by a lack of resources for narcotics suppres-

sion. Both countries have major political and military problems facing them and international narcotics interdiction will be low on their priority scale for some time to come. Corruption and the long, rugged, unevenly controlled border also contribute to the pessimistic prognosis.



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[REDACTED]

Other Key Border Areas

65. While the preceding six border regions represent the current most important opiate trafficking zones in Southwest and Southeast Asia, other borders may become prominent in the future. As long as sufficient demand for opiate products exists in the world market, traffickers will respond to interdiction pressure by shifting transit routes to safer areas. Such activity already has begun in the regions under study here. Narcotics suppression operations along the Thai-Burmese border have resulted in a gradually increased amount of Burmese opiates (perhaps 20 percent) being shipped across the Burmese-Indian border in recent years. India already is a principal source of acetic anhydride, an important precursor chemical, for Burmese heroin labs. Thai-Burmese border heroin refining operations also are being moved slowly into safer locations either in northern Burma or into nearby Laos, increasingly a safehaven for the drug trade. Nepal is a probable alternative transit country for Southwest Asian heroin. The Himalayan kingdom already is a significant trafficking point for local hashish and for Southeast Asian heroin. These alternative trafficking routes are unlikely to supplant the leading transit areas in the near future, however, due to the superior transportation networks and imperfect interdiction programs of current opiate trafficking centers. [REDACTED]

Prospects for Third Country Involvement

66. There appear to be only limited opportunities for countries other than those already mentioned in the text to promote effectively international antinarcotics cooperation in Southeast and Southwest Asia. Several Western nations provide some assistance for local narcotics programs, especially for crop substitution and demand reduction efforts. These countries include: West Germany, Sweden, the Netherlands, France, Australia, and Italy. In addition, some nations, like Australia, Germany and England, have stationed law enforcement officers in these regions to facilitate antinarcotics cooperation between their respective countries. [REDACTED]

67. The relatively low levels of antinarcotics aid provided by these nations and their limited overall influence generally does not provide them with sufficient leverage to help forge bilateral cooperation on opiate interdiction in Southeast and Southwest Asia. There are some situations in which third countries possess political or economic influence but have not

dabbled in narcotics matters. West Germany and Japan probably are the two nations most favored by the reclusive government of Burma, but the United States and UNFDAC are the only third parties that have shown significant interest in Burma's narcotics problem. Similarly, Laos's principal source of Western aid, Sweden, has not yet provided any antidrug assistance to Vientiane. [REDACTED]

68. Despite its own domestic drug problem and pervasive cultural influence in these regions, the United Kingdom has provided only token antinarcotics assistance to area countries. The insignificant British role in local drug programs results in part from perennial budgetary constraints, which have forced a long-term reduction in the British presence throughout its former colonial dominions. In addition, most of the former British colonies under consideration, that is, India, Pakistan, Malaysia, and Burma, prefer to maintain a distance between themselves and the former colonial power for political reasons. [REDACTED]

69. Although the United States appears to be the only Western nation positioned to boost international cooperation on drug interdiction within the foreseeable future, the USSR may have a similar opportunity in some of the nations examined in this study. As mentioned earlier, Moscow is an important, if not dominant, foreign influence in Afghanistan, India, and Laos. The USSR conceivably could utilize this position to promote cooperation between those key narcotics countries and neighboring states. In fact, a positive Soviet role in narcotics interdiction has become increasingly plausible during the past year. Moscow has demonstrated an unprecedented amount of concern about narcotics and has indicated a willingness to join international antinarcotics programs. A gradually expanding domestic drug addiction problem, increased trafficking of Southwest Asian narcotics across Soviet territory and Gorbachev's apparent willingness to acknowledge and take on domestic social problems make it more likely that the USSR will move toward a more responsive international counternarcotics policy. [REDACTED]


70. There is no credible evidence that the USSR has been masterminding a global Communist effort to promote the drug trade as a means of undercutting Western society. Some observers have taken the pro-drug policy of Laos and the permissive attitude of the

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Soviet client state in Afghanistan toward narcotics as evidence of such a Communist conspiracy. Economic and political objectives, however, appear to be inspiring Communist drug activities in Southwest and Southeast Asia. Impoverished Laos desperately needs the foreign exchange generated by the illegal narcotics industry. Parenthetically, Vientiane's former non-Communist rulers also were reported to have been involved in the drug trade. The Communist regime in Afghanistan has little effective control over most of the

country and is unable to enforce an antinarcotics policy. The other prominent example of Communist involvement in narcotics is the BCP—the Golden Triangle's largest drug trafficking organization. During the early 1980s the BCP began to compensate for a dramatic cut in Chinese material aid to the group. The BCP's turn to narcotics for sustenance, in fact, follows a familiar local pattern in which several Burmese insurgencies have converted to drug trafficking as their revolutions waned. 

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Conclusion

71. The prospects for international cooperation on opiate interdiction are limited in Southwest and Southeast Asia. Political differences and ingrained ethnic rivalries are the principal barriers. Comparatively speaking, there appears to be more potential for progress on interdiction in Southeast Asia than in Southwest Asia. ASEAN has exerted a positive influence on antinarcotics matters and, more important, produced some concrete results. Member states use ASEAN meetings to enhance informal bilateral cooperation and the informal approach appears to be the most effective avenue to achieve cooperation on interdiction. [redacted]

72. More important than the ASEAN influence, however, has been the example set by effective Thai-Malaysian cooperation. This relationship is likely to expand on drug interdiction matters and possibly to attract other ASEAN partners. Singapore, the ASEAN member most affected by trafficking after Malaysia and Thailand, already is becoming more involved in Thai-Malaysian interdiction programs. [redacted]

73. In contrast, the South Asian regional organization SAARC, is of more recent vintage than ASEAN

and has had much less impact on its members. SAARC does possess some hopeful antidrug proposals on its agenda, but the inability of key members Pakistan and India historically to cooperate and the untested nature of the organization create doubts about the ultimate success of SAARC programs. In addition, the bilateral relationships critical for effective interdiction of major opiate trafficking routes in South Asia are essentially hostile. [redacted]

74. The isolation of the major opiate production areas of both regions from the political mainstream places fundamental constraints on the prospects for significant area interdiction efforts. These countries, Burma, Afghanistan and, secondarily, Laos, have not been approachable on cooperation with key trafficking nations, namely Thailand and Pakistan. Hence, traffickers refine opium and ship heroin with relative impunity in locations requiring maximum suppression efforts. The overall prospects for opiate interdiction in Southwest and Southeast Asia are likely to remain dim until breakthroughs can be achieved in the relations of these essential source and trafficking nations [redacted]

Opiates in Asia—1986

	Opium Production (metric tons)	Heroin Production (metric tons)	Opiate Abusers
Thailand	25	1-3 ^a	100,000 to 500,000
Burma	790 to 1470	20-25	300,000 to 400,000 ^b
Laos	100 to 290	3-5 ^c	Unknown
Malaysia	None	5-6	250,000
Pakistan	140 to 160	Unknown ^d	500,000
India	1000 to 1100 ^e	Unknown	250,000 to 350,000 (heroin)
Afghanistan	150 to 450	Unknown ^d	Unknown
Iran	200 to 400	Unknown ^f	900,000

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ANNEX A

Opiate Trafficking in Southeast Asia

The Golden Triangle—Burma, Thailand, and Laos—continues to be a major opiate source for international heroin consumption, accounting for about 20 percent of the US and West European markets. The heroin trafficking chain connects opium growers in northern Burma to ethnic Chinese wholesalers in Thailand, who market the highest purity heroin in the world. Heroin production in the Golden Triangle has held steady since the early 1980s at 20 to 25 metric tons annually. [redacted]

Geography, lack of government control over key growing areas, and the strength of various warlord armies virtually guarantee that the heroin flow will continue. The 200-mile-wide band extending northward from the Thai-Burmese border through the Shan State to the Chinese-Burmese border is the core of opium poppy cultivation and heroin refining in the region. Insurgent groups in eastern Burma, primarily the Burma Communist Party, buy raw opium from hilltribe growers who cultivate small plots using slash-and-burn techniques. [redacted]

Heavily guarded caravans of porters and pack animals move the opium to refineries along the Thai-Burmese border for processing. [redacted]

Traffickers operating along the border—including the powerful Shan United Army (SUA), which has historically claimed a major share of the traffic within the Golden Triangle—find refuge from government attacks in the rugged terrain. They control the major smuggling routes. Once heroin and heroin base—an intermediate product—are refined, they are stored at border villages and then smuggled to rendezvous points just inside Thailand. Chinese-Thai wholesalers arrange heroin sales to international traffickers through outlets near Bangkok and increasingly at the Thai-Malaysian border. They frequently organize shipments of processing chemicals back to the border. Corrupt government officials provide protection for virtually each link in the trafficking chain. [redacted]

Heroin refining and smuggling prosper because of the remote and rugged terrain in Burma and the modern transportation system in northern Thailand. Neither government has the ability to do more than make sporadic forays into the area along the Thai-Burmese border. Bangkok conducts military sweeps that bring Thai villages under its control temporarily, but it lacks the resources to seal off the border or

prevent villages from serving as smuggling gateways. When Thai vigilance over its side of the border is lax, the resident warlord armies reassert their influence. Burmese Army forces enter the region as outsiders and, in most cases, move quickly through villages and then return to a handful of secure bases at larger towns. Burmese operations focus on blocking caravans and striking at refining sites. Rangoon lacks the resources to establish political control. [redacted]

Information is fragmentary, but it appears that once the heroin leaves the Golden Triangle it enters a very competitive market, significantly different from the rigidly organized trade of the producing areas. The warlord armies sometimes maintain control of the drugs until they enter the international trade. It is more common, however, for small amounts of heroin to be smuggled from border refineries to Bangkok where independent ethnic Chinese brokers run dozens of tightly knit organizations that distribute heroin throughout Southeast Asia, to Europe, and to the United States. The route through Thailand is appealing to the drug traffickers because of the great variety of available smuggling routes and methods to assure ample flexibility to counter interdiction operations. The well-developed highway system and heavy flow of vehicles in Thailand make it relatively easy for traffickers to conceal narcotics in private automobiles and trucks. Traffickers also use domestic airline flights to move narcotics to Bangkok or other international transit points on the Gulf of Thailand coast. [redacted]

Over the past few years, there has been a growing reliance on alternate smuggling routes as conflict among trafficking groups and intensified government drug control efforts have made smuggling from the border area more risky and costly. A route connecting Burma to India, long used to bring drug processing chemicals into the Golden Triangle, is being increasingly used to send processed drugs the other way. Historically, most traffickers who dealt through India sold their narcotics to brokers in Mandalay, Burma, but at least three major trafficking groups are known to be building links directly to the Indian heroin market. Traffickers are developing networks traversing Laos that move narcotics into northeastern Thailand, bypassing the focus of the enforcement effort at the Thai-Burmese border. Some traffickers are circumventing Bangkok and increasingly sending their drugs to southern Thailand for export by way of Malaysia. [redacted]

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ANNEX B

Opiate Trafficking in Southwest Asia

From the poppy fields in the remote mountains of Afghanistan, Pakistan, and Iran, Southwest Asian narcotics are moved through intricate webs of handlers and routes before arriving in the major European and North American markets. [REDACTED]

Production of opiate drugs in Afghanistan and Pakistan is not highly organized. It starts each year with thousands of farmers deciding to grow poppies based on prevailing and anticipated market demands. Their decisions are made independently, without coercion or persuasion from the tribal leaders of trafficking organizations. This has probably contributed to the wide yearly swings in cultivation that have been recorded recently in some areas of Afghanistan and Pakistan. Sometimes there is forward contracting by brokers who guarantee farmers a price for their opium in advance of planting. Even during periods of slack demand, many farmers will continue producing opium, holding on to their stocks as a form of cash and as a hedge against hard times. [REDACTED]

Opium is initially purchased in the cultivation areas either by a local dealer, who may himself be a grower, or by a dealer from a nearby town. The dealer then takes the opium to a marketing center or bazaar where it changes hands by being sold directly to traffickers or to opium brokers who will stockpile it. Most of the opium produced in the border area ultimately appears in the opium bazaars on the Pakistani side of the border. Landi Kotal, Bara, and Shahabuddin Mela Darra are major transaction centers. In the past couple of years Jalalabad and Towr Khan have also become important brokering centers in Afghanistan. [REDACTED]

In addition to growing opium sales, Afghanistan has seen expanded heroin production in recent years. Evidence indicates that trafficking organizations in Afghanistan have had the capability to process opium into morphine and heroin since the early 1970s, but it was not until 1983 that heroin processing increased significantly. For the most part, Afghan refineries are producing heroin base; that portion of the product line destined for Western heroin markets is usually smuggled to Pakistan for further processing. According to Pakistani officials, the rise in Afghan heroin production is partially a consequence of traffickers from Pakistan's tribal areas moving to Afghanistan to avoid

antinarcotics pressure from Islamabad. The recent growth in Afghan refining is also due to increased opium production in Afghanistan, the decrease in Pakistani cultivation in the early 1980s, a growing Afghan drug market including Soviet troops stationed there, and the increasing profitability of heroin. [REDACTED]

Pakistan and Afghan heroin manufacturers appear to conduct their trade through a small band of associates. [REDACTED] indicate that typically there are few people on the manufacturer's payroll: a chemist and a handful of associates at most. The manufacturers prefer to leave marketing in the international and domestic arenas to professional wholesalers and dealers. Many heroin traffickers are powerful members of Pakistani society, including venerable elders who are influential in shaping the attitudes of the tribes. By charging that antinarcotics operations are an infringement on tribal sovereignty, they have been able to enlist widespread tribal backing to frustrate drug control efforts. Government raids on major heroin refining centers have often resulted in standoffs between hundreds of troops and thousands of better-armed tribesmen. [REDACTED]

Both opium and heroin are smuggled out of the tribal areas to markets in Pakistan and neighboring countries. Substantial quantities of opium travel by vehicle and pack train along the Pakistani-Afghan border into eastern Iran for consumption by the massive Iranian market. A portion of this opium undoubtedly transits Iran, probably being converted into morphine or heroin along the way, and eventually ends up with Turkish, Syrian, or other trafficking networks that comprise the western flank of the Southwest Asian trade. Some heroin also follows this route, but the most lucrative trade is the shipment of heroin to international brokers in Karachi, Lahore, Rawalpindi, and Peshawar who direct smuggling operations to the West. [REDACTED]


The brokers in Pakistan's major cities are a pivotal link in the Southwest Asian heroin trade because they connect the isolated, reclusive heroin manufacturers in the tribal areas with the important distribution organizations in the lucrative Western markets. Brokers with long and trusted relationships to manufacturers will be

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supplied large amounts of heroin on demand for only a small downpayment. Fronting their operations through businesses such as import/export companies, brokers then arrange heroin shipments to distributors in the United States and Europe. Some of the earnings

from this trade flow back to Pakistan and Afghanistan, but evidence from criminal investigations increasingly indicates that the proceeds are being laundered through Persian Gulf banks presumably for reinvestment in the United States and Europe. 

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